

## SENATE BILL NO. 281

INTRODUCED BY D. MAHLUM, ADAMS, COCCHIARELLA, JACKSON, RASER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS GOVERNING PROPERTY TAX PAYMENT; PROVIDING THAT A PERSON TO WHOM PROPERTY TAXES ARE ASSESSED WILL RECEIVE NOTICE IF THE PROPERTY IS SUBJECT TO A TAX SALE; ~~PROVIDING THAT A PERSON TO WHOM PROPERTY TAXES ARE ASSESSED WILL RECEIVE NOTICE THAT PROPERTY TAXES HAVE BEEN PAID ON THE PROPERTY REGARDLESS OF WHO PAID THE TAXES; REQUIRING THAT THE LIST OF DELINQUENT PROPERTY SUBJECT TO TAX SALE BE PUBLISHED;~~ PROVIDING THAT A PERSON TO WHOM PROPERTY TAXES ARE ASSESSED WILL RECEIVE A COPY OF A TAX SALE CERTIFICATE OR ASSIGNMENT CERTIFICATE IF ONE IS ISSUED ON THE PROPERTY; PROVIDING THAT THE NOTICE IS TO BE MAILED TO THE ADDRESS OF RECORD OF THE PERSON TO WHOM PROPERTY TAXES ARE ASSESSED; REQUIRING PROOF ~~OF DELIVERY~~ OF CERTIFIED MAIL NOTICE TO THE ASSESSED OWNER BEFORE ISSUANCE OF A TAX SALE CERTIFICATE OR ASSIGNMENT OF RIGHTS; AND AMENDING SECTIONS 15-16-101, ~~15-16-104, 15-17-122,~~ 15-17-212, AND 15-17-323, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-16-101, MCA, is amended to read:

**"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice must include:

(a)(i) the taxable value of the property;

(b)(ii) the total mill levy applied to that taxable value;

(c)(iii) the value of each mill in that county;

(d)(iv) itemized city services and special improvement district assessments collected by the county;

(e)(v) the number of the school district in which the property is located; and

(f)(vi) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and other tax.

(b) If the property is the subject of a tax sale for which a tax sale certificate has been issued under 15-17-212, the notice must also include, in a manner calculated to draw attention, a statement that the property is the subject of a tax sale and that the taxpayer may contact the county treasurer for complete information.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection ~~(2)(d)~~ (2)(a)(iv) ready for mailing.

(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax.

(5) If the department revises an assessment that results in an additional tax of \$5 or less, an additional tax is not owed and a new tax bill does not need to be prepared."

~~Section 2. Section 15-16-104, MCA, is amended to read:~~

~~"15-16-104. Entry of payment -- receipt. (1) The county treasurer shall note the date and the amount of the payment of any tax in the property tax record opposite the name of the person paying.~~

~~(2) (a) Except as provided in subsection (2)(b), the county treasurer shall give a receipt to the person paying any tax, specifying the amount of the assessment and the tax paid, with a description of the property assessed.~~

~~(b) If the payment is received through the mail or by any electronic means, the county treasurer~~

shall issue a receipt only on request of the person paying the tax. If the county treasurer issues a receipt, it must contain the information specified in subsection (2)(a).

~~(3) Within 10 days of the payment of property taxes on real property, the county treasurer shall mail a notice of payment to the person to whom the property was assessed at the person's address of record. The notice must state that property taxes have been paid on the property and that if the property taxes were not paid by the person to whom the property was assessed or that person's agent, the payment may have been made in connection with a tax sale of the property. The notice must also state that the person may contact the county treasurer for further information."~~

~~**Section 3.** Section 15-17-122, MCA, is amended to read:~~

~~**"15-17-122. Notice of pending tax sale.** (1) The county treasurer shall publish or post a notice of pending tax sale. The notice must include:~~

~~(a) the specific time, date, and place an interest in the property on which the taxes are delinquent will be offered for sale;~~

~~(b) a statement that the delinquent taxes, including penalties, interest, and costs, are a lien upon the property and that unless the delinquent taxes, penalties, interest, and costs are paid prior to the time of the tax sale, the lien will be offered for sale at the time and place specified in subsection (1)(a);~~

~~(2) The notice required in subsection (1) must also include a statement that a list of each property on which the taxes are delinquent is on file in the office of the county treasurer and open to inspection. The list must include:~~

~~(a) the name and address of the person to whom the delinquent taxes are assessed;~~

~~(b) the amounts of the delinquent taxes, all accrued penalties, interest, and other costs; and~~

~~(c) a statement that penalties, interest, and costs will be added to delinquent taxes.~~

~~(3) The notice must be published once a week for 3 consecutive weeks in the newspaper designated for county printing as provided in 7-5-2411. If no newspaper is not published in the county, the notice must be posted by the county treasurer in three public places. The notice must be first published or posted on or before the last Monday in June.~~

~~(4) Except as provided in 15-17-211(2), the sale may not be held less than 21 days or more than 28 days from the date of first publication or first day the notice is posted.~~

~~(5) The sale must be held at the county courthouse.~~

~~Property on which taxes are delinquent but for which proper notification was not made may not be included in the current year's notice and sale. In the event of improper notification, the sale may be held on all property properly noticed.~~

~~The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."~~

**Section 2.** Section 15-17-212, MCA, is amended to read:

**"15-17-212. Tax sale certificate.** (1) ~~Upon~~ After receiving proof of delivery of mail notice to the person to whom the property was assessed as required by subsection (3), and upon receipt of all delinquent taxes, penalties, interest, and costs, the county treasurer shall prepare a tax sale certificate that must contain:

- (a) the date on which the property taxes became delinquent;
- (b) the date on which a property tax lien was sold at a tax sale;
- (c) the name and address of record of the person to whom the taxes were assessed;
- (d) a description of the property on which the taxes were assessed;
- (e) the name and mailing address of the purchaser;
- (f) the amount paid to liquidate the delinquency, including a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;
- (g) a statement that the certificate represents a lien on the property that may lead to the issuance of a tax deed for the property;
- (h) a statement specifying the date on which the purchaser will be entitled to a tax deed; and
- (i) an identification number corresponding to the tax sale certificate number recorded by the county treasurer as required in 15-17-213.

(2) The certificate must be signed by the county treasurer and delivered to the purchaser. A copy of the certificate must be filed by the treasurer in the office of the county clerk. A copy of the certificate must also be mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the person may contact the county treasurer for further information on property tax sales.

(3) Prior to paying delinquent taxes, penalties, interests, and costs received by the county treasurer under subsection (1), a person shall send notice of the proposed payment, by certified mail, to

the person to whom the property was assessed. THE FORM OF THE NOTICE MUST BE ADOPTED BY THE DEPARTMENT  
BY RULE. The notice must have been mailed at least 2 weeks prior to the date of the payment. The person  
making the payment shall provide proof of the mailing THAT THE CERTIFIED MAIL WAS DELIVERED TO THE PERSON  
TO WHOM THE PROPERTY WAS ASSESSED OF THE MAILING."

**Section 3.** Section 15-17-323, MCA, is amended to read:

**"15-17-323. Assignment of rights -- form.** (1) A tax sale certificate or other official record in which the county is listed as the purchaser must be assigned by the county treasurer to any person who, after providing proof ~~OF DELIVERY~~ of mail notice to the person to whom the property was assessed as required by subsection (5), pays to the county the amount of the delinquent taxes, including penalties, interest, and costs, accruing from the date of delinquency.

(2) (a) The assignment made under subsection (1) must be in the form of an assignment certificate in substantially the following form:

I, ....., the treasurer of ..... County, state of Montana, hereby certify that a tax sale for tax year 20..., in the county of ....., was held on ..... (date), for the purpose of liquidating delinquent assessments, and I further certify that a property tax lien for delinquent taxes in the following property ..... (insert property description) was offered for sale and that there was no purchaser of the property tax lien. Accordingly, the county was listed as the purchaser as required by 15-17-214, MCA. As of the date of this certificate, the delinquency, including penalties, interest, and costs amounting to \$....., has not been liquidated by the person to whom the property was assessed, nor has the delinquency been otherwise redeemed.

Because there has been no liquidation of the delinquency or other redemption, I hereby assign all rights, title, and interest of the county of ....., state of Montana, acquired in such property by virtue of the sale to ..... (name and address of assignee) to proceed to obtain a tax deed to the property or receive payment in case of redemption as provided by law.

Witness my hand and official seal of office this ..... day of ....., 20...

..... County Treasurer

..... County

(b) A copy of an assignment certificate must be mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the person may contact the county

1 treasurer for further information on lien assignments and property tax sales.

2 (3) An assignment made by a purchaser other than the county, by an assignee of the county, or  
3 by a previous assignee may be made for any consideration whatsoever. An assignment so made is legal  
4 and binding only upon filing with the county treasurer a statement that the purchaser's or other assignee's  
5 interest in the property has been assigned. The statement must contain:

6 (a) the name and address of the new assignee;

7 (b) the name and address of the original purchaser of the tax sale certificate;

8 (c) the name and address of each previous assignee, if any;

9 (d) a description of the property upon which the property tax lien was issued, which ~~description~~  
10 must contain the same information as contained in the tax sale certificate or assignment certificate, as  
11 appropriate;

12 (e) the signature of the party, ~~be~~ whether it is the purchaser or the assignee, making the  
13 assignment;

14 (f) the signature of the new assignee; and

15 (g) the date on which the statement was signed.

16 (4) If the certificate described in subsection (1) or the statement described in subsection (3) is lost  
17 or destroyed, the county treasurer shall, upon adequate proof and signed affidavit by the assignee that loss  
18 or destruction has occurred, issue a duplicate certificate to the assignee.

19 (5) Prior to making a payment under subsection (1), a person shall send notice of the proposed  
20 payment, by certified mail, to the person to whom the property was assessed. THE FORM OF THE NOTICE MUST  
21 BE ADOPTED BY THE DEPARTMENT BY RULE. The notice must have been mailed at least 2 weeks prior to the date  
22 of the payment. The person making the payment shall provide proof of the mailing THAT THE CERTIFIED MAIL  
23 WAS DELIVERED TO THE PERSON TO WHOM THE PROPERTY WAS ASSESSED OF THE MAILING.

24 ~~(5)~~(6) The provisions of this section apply to any sale of land for which a treasurer's deed was  
25 not issued on or before March 5, 1917, or for which a tax deed was not issued on or before April 23,  
26 1987, and the holder of any certificate described in subsection (1) has the same rights, powers, and  
27 privileges with regard to securing a deed as any purchaser of land at a tax sale may now have."

28 - END -